

Istook Acts to Protect FEMA Disaster Grants from Taxation

Washington, DC -- Today, Congressman Ernest Istook (R-OK) joined Congressman Mark Foley (R-FL) and over 30 other original cosponsors in introducing a bill to prevent the taxation of federal grants designed to help victims of natural disasters, like hurricanes and tornados, rebuild homes protected from future devastation.

“No one ever intended that these grants be taxed,” said Istook, the lead cosponsor of the bill, **“And we are going to make sure that they won’t be. It’s merely common sense that if the government gives someone a grant to help them build safe rooms or flood protections, they shouldn’t have to pay a portion back in taxes.”**

Istook has been working with Foley as well as the IRS Commissioner, the Treasury Department, FEMA, and the Chairman of the Ways and Means Committee to make sure that Oklahomans who have used the grants to build safe rooms following the devastating tornados of recent years would not owe tax on those grants.

The bill currently excludes Federal Emergency Management Agency Hazard Mitigation Grants from gross taxable income. The IRS first determined these FEMA grants to be taxable last summer.

“We will continue to work out a few tweaks, but this is an important first step in making sure Oklahomans are protected from unfair taxation of these grants,” said Istook.